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FM AMEMBASSY MONROVIA  
TO RUEHC/SECSTATE WASHDC 1484  
INFO RUEHZK/ECOWAS COLLECTIVE  
RUEHDR/AMEMBASSY DAR ES SALAAM 1916  
RUEHIL/AMEMBASSY ISLAMABAD 0062  
RUEHJA/AMEMBASSY JAKARTA 0015  
RUEHPE/AMEMBASSY LIMA 0001  
RUEHME/AMEMBASSY MEXICO 0008  
RUEHNR/AMEMBASSY NAIROBI 1593  
RUEHOT/AMEMBASSY OTTAWA 0001  
RUEHSA/AMEMBASSY PRETORIA 0553  
RUEHSM/AMEMBASSY STOCKHOLM 0341

C O N F I D E N T I A L MONROVIA 000863

C O R R E C T E D C O P Y (ADD DECLS INSTR)

DEPT PASS TO IO COLLECTIVE

SENSITIVE  
SIPDIS  
EAID

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TAGS: [AORC UN PREL AMGT LI](#)

SUBJECT: LIBERIA: JOHN MORLU'S CANDIDACY FOR HEAD OF UN OFFICE OF  
INTERNAL OVERSIGHT SERVICES

REF A: SECSTATE 117720; REF B: MONROVIA 512

Classified by: ECON/O S. Gonzales, Reason 1.4 (d)

¶1. (C) SUMMARY: Inspector General John Morlu is passionately committed to public financial management, and has transformed a moribund General Auditing Commission (GAC) into an independent and vocal mechanism for fighting corruption in Liberia. While Morlu's reputation for integrity is unimpeachable, and he fearlessly "speaks truth to power," post maintains some reservations about his potential to serve effectively as the head of the UN Office of Internal Oversight Services. Morlu's aggressive approach to audits has alienated some ministries, and he is seen to have delayed reforms because draft legislation did not meet his very high standards. Further, he was plucked from relative obscurity in 2007 to manage the GAC, so he has not yet acquired deep and enduring experience as a manager of extensive human and financial resources. END SUMMARY.

¶2. (SBU) Morlu became the first Auditor General of an independent and supreme auditing institution in May 2007. While a Bureau of Audits had existed within the Ministry of Finance since 1956, it remained a toothless and irrelevant body; it exercised little oversight authority, did not publish independent audits of line ministries, and failed to act as the fiscal conscience of government. Following a June 2005 legislative amendment, the GAC acquired a wide mandate to conduct annual audits of all government ministries, issue position statements on draft laws and concessions, review the national budget and testify before the National Legislature on issues of national interest.

¶3. (SBU) The European Commission (EC), which assisted the GOL in the development of the GAC, selected Morlu from a field of several dozen candidates based on his experience as a mid-level manager and financial analyst at Unisys Corporation and BearingPoint. While the majority of his experience consisted of ensuring compliance with Security and Exchange Commission and Generally Accepted Accounting Principle (GAAP) requirements, Morlu managed some international

projects in Eastern Europe. As part of its funding of the GAC, the EC pays Morlu's salary, which is equal to an expatriate salary and far exceeds the regular GOL salary.

14. (SBU) Since becoming Auditor General, Morlu has demonstrated an impressive knack for institution-building. The GAC now employs a staff of 152, including over 120 auditors selected through a competitive examination process. With a relatively lean staff and limited financial resources, the GAC has produced 25 audits since 2007. It is working on an additional 32 audits, including the five key audits required for Highly Indebted Poor Countries Completion Point. The GAC web site is among the best government sites in Liberia, and deliberately embodies the principles of transparency and government accountability Morlu's institution publicly promotes; all audits are posted online along with staff phone rosters and daily updates on activities at the GAC. The GAC has also rejoined world auditing bodies such as INTOSAI and AFROSAI, and Morlu is regularly invited to speak at international and regional conferences about the role an independent auditing commission must play as fiscal watchdog in a participatory democracy.

15. (SBU) GAC employees praise Morlu's leadership. They credit him with sustaining high morale despite, and often because of, a demanding workload. He presents auditors with challenging opportunities, provides them the institutional support to succeed, and then rewards them - often publicly - for their achievements. Employees also cite his personal integrity as a motivational force. He is careful to eschew the expensive perquisites of public office, opting to drive his personal car and purchase economy class airfare, and explains regularly to staff that every civil servant must be the cautious superintendant of government funds.

16. (C) As the GAC evolves and Morlu grows into his role, the quality of audits continues to improve. Officials at both the International Monetary Fund and Ministry of Finance complained that early audits in 2007 highlighted small transactional errors, while more recent audits identify systemic shortcomings and outline mechanisms for redressing failures in internal controls.

17. (C) Morlu enjoys widespread popularity and is a regular fixture in local newspapers. Media and civil society organizations have welcomed his outreach to them and appreciate GAC's regular press releases and publicly-available audit reports. Morlu also makes for good copy. The media delights in his self-generated image as the "rebel auditor," relishes when he goads the "Movement for the Defense of Corrupt People" to call for his resignation, and continues to publish his (now notorious and regretted) claim that the current government is "three times more corrupt" than the former regime of Charles Taylor.

18. (C) While an Auditor General can expect few friends in government, Morlu has alienated even like-minded reformers, who resent his showy grandstanding and find his pugnacious approach off-putting. The Minister of Finance, himself a devoted, if quieter, advocate of prudent fiscal policy and financial management reform, is a well-known adversary, and has been known to complain that Morlu conducts "gotcha" audits that make for good headlines without addressing the underlying challenges that led to a particular line ministries' shortcomings. The International Monetary Fund believes Morlu "hijacked" the Public Financial Management (PFM) Act when he presented the legislature with an alternative draft bill. Although implementation of the PFM Act constitutes a key requirement for HIPC Completion Point, the legislature took a full year to reconcile the competing bills, and many blame Morlu for the delay (ref B).

19. (C) At age 36, Morlu possesses less than a decade of practical work experience, and he managed projects, but few employees, before arriving at the GAC two years ago. Morlu lived in the United States from 1990 until 2007, received an undergraduate degree in economics from the University of Virginia, and a master's in business administration from Johns Hopkins University, and obtained U.S. citizenship in 2003. His deep roots in the United States are seen in Liberia as both a liability and an asset. Some regard him as an American interloper who opportunistically leveraged his Liberian citizenship to vault from humble mid-level manager to prominent government official. However, Morlu adeptly counters these charges, characterizing his years of observing civic engagement and government accountability in the United States as experience that qualifies him for his current post.

¶10. (C) COMMENT: Morlu would bring an array of welcome skills to the UN Office of Internal Oversight. He is a tireless institution-builder, an admired manager who motivates staff and leads by example, and a person of undisputed integrity. However, while he receives high marks for his fearless penchant to "speak truth to power," he abjures the political niceties and diplomatic finesse that might make him a more effective operator within a large and heterogeneous bureaucracy such as the UN. A Liberian public and media weary of self-interested leadership applauds when Morlu lampoons government corruption, but his spontaneous diatribes may not amuse a more discerning international press or sedate UN colleagues. Further, we question whether he possesses sufficient managerial experience to lead a large, complex and already-developed institution. That said, Morlu has surprised his detractors and continues to demonstrate adaptability and the self-awareness to learn from his mistakes. He may well prove able to mute his more outlandish and truculent inclinations, without compromising his crusader's spirit. If so, he could deploy his considerable intellectual and managerial resources to good effect, and might become a refreshing, if idiosyncratic, debunker of UN orthodoxy. We note that Morlu's U.S. citizenship may be a factor in the Department's decision.

THOMAS-GREENFIELD